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Veröffentlichungsversion / Published Version
Rezension / review

Empfohlene Zitierung / Suggested Citation:

Rudzite, L. (2017). Review: Neoliberalism and the moral economy of fraud. [Review of the book *Neoliberalism and the moral economy of fraud*, by D. Whyte, & J. Wiegratz]. *Studies of Transition States and Societies*, 9(2), 65-68. <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-62597-5>

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Book Review:

Neoliberalism and the Moral Economy of Fraud

Liga Rudzite*

Neoliberalism and the Moral Economy of Fraud by David Whyte and Jörg Wiegatz, 2016, New York: Routledge.

The 2008 financial crisis, but especially its aftermath, raised a range of questions about the moral values missing from the mainstream economic system that had made the crisis possible. In light of continuing business as usual after the crisis, *Neoliberalism and the Moral Economy of Fraud*, edited by David Whyte and Jörg Wiegatz, is a much-needed and fresh volume. 15 diverse case studies, a well-written introduction and conclusions form a collection of ideas that counter the widespread pro-establishment economists' take on the recent crisis – the so-called 'bad apples' approach that proposes that the shortcomings can be fixed if certain individuals become more responsible.

The editors claim that such a take on the issues in social and economic life cannot be helpful to bring about change for the better. The volume aims to go below the surface and uncover the systemic issues that make fraudulent behaviour possible and encouraged, placing fraud at the intersection of moral and political economy. The editors quote Margaret Thatcher as having said, "Economics is the method, but the object is to change the soul" (Whyte & Wiegatz, 2016, 232). The quote illustrates well what the contributors to the volume aim to do and achieve: they show how seemingly purely economic ideas, policies, and practices transform the morality that governs people's actions and social relations. The volume clearly demonstrates that fraud is 'moral', but that morality still needs to be studied and understood.

The processes of neoliberal moralisation thus form the core of the book's chapters, structured around (1) moral representation of markets, (2) mystification of class power and inequality, (3) re-moralisation of politics, (4) production of neoliberal subjects, and (5) legitimisation of fraud as a key effect of implementing neoliberal policies.

James Carrier starts off the volume with an attempt to explain the economic deviance within the financial sector using Robert Merton's (1938) approach to deviance as a social fact. Conceptualising it as a function of two variables – playing by society's rules and following the individual's needs beyond the group – Carrier explores how the harmful actions within the financial sector prior to the 2008 crisis might have been triggered by extraordinary events.

Steve Tombs continues the analysis of the 2008 crisis, looking at how it was framed in the UK, and how the particular framing allowed business as usual to continue after. He speaks of how 'morality plays' after the crisis were effective in neutralising and reaffirming the moral code of neoliberalism. This permitted the structural power relations to remain unchallenged, rendering post-capitalism impossible.

Another process of neoliberal moralisation tackled in the volume is the mystification of class inequality, portraying all people as free and equal choosers, not bound by imbalanced social relationships. Andrew Sayer's chapter identifies the moral groundings that promote the inequality, portraying the promotion of unearned income, property, and investment as wealth extraction, supported by the neoliberal order. The chapter shows that freedom-based morality cannot function well when people in society are unequal in power.

In a similar vein, Balihar Sanghera's chapter traces the emergence of a moral economy of wealth

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extraction in Kyrgyzstan. He shows how the marketisation of the public sector and financialization of the economy have altered the moralities at the base of the professional and financial elites' evaluations of moral worth, integrity and professional competence.

A more nuanced look at changing morality and, through that, the behaviour of tax professionals is analysed in the chapter by the director of Tax Justice Network John Christensen. In what reads like a feature journalism piece, he uncovers narratives of professional obfuscation that legitimise tax avoidance, such as seeing tax as a cost of production rather than profit distribution, or considering company directors as obliged by their legal duties to shareholders to avoid tax to maximise profit.

Continuing the exploration of narratives that contribute to the re-moralisation of politics, Paul Jones and Michael Mair identify the implications of mythological ideas that deem neoliberal forms of economic practice as amoral and apolitical. The authors demonstrate very well how the move of the UK supermarket chains into (poor) residential areas embedded them in those neighbourhoods as 'community builders'. Jones and Mair then discuss the impact this has had on public and private sectors' accountability for the transformation of social life.

Chris Holden's chapter offers a fascinating look at strategies used by transnational tobacco companies (TTCs) to legitimise their involvement in the illicit large-scale cigarette smuggling in the 1990s through a rationalisation of firm behaviour. Holden concludes that the moral economy of TTCs is consistent with the wider moral economy of corporations and its underlying assumption that the moral responsibility of executives is to the corporation's shareholders.

In a chapter depicting the process of producing neoliberal subjects, Steve Hall and Georgios Antonopoulos look at the emergence of 'illegal marketers' in Greece during and after the financial crisis. They examine a case study of a confectioner opting to engage in certain informal economic activities to enable his business to continue to function officially. The authors focus particularly on moral norms that regulate interactions of individuals with the state.

Maritza Felices-Luna's case study of the criminal justice system of the Democratic Republic of Congo also contributes to the discussion on the production of neoliberal subjects. She dissects how the actors produce moral orders conducive to fraud through multiple discourses on corruption. Felices-Luna concludes, unsurprisingly, that the corruption practices are not the result of neoliberal policies as such. Rather, the values that those practices are based on are compatible with the neoliberal ones.

Contributing to the view of neoliberalism as one of the enablers to, not the primary cause of, fraudulent behaviour, Erik Bahre offers a case study where both the neoliberal approach of seeing the poor as resourceful economic actors and the government's policy to enforce racial inclusion paved the way for a boom in life insurance sales in South Africa. Bahre's chapter argues for a more nuanced view on fraud, warning against attempts to define it based on understandings of only one particular group in the society.

In his excellent contribution to the volume, David Ellis uses a case study of misselling payment protection services in the UK and the lack of reference to fraud by regulators to illustrate how neoliberalism, along with financialization, have created opportunity structures for financial fraud. Ellis traces how individuals, having been responsabilized into a particular financial rationality, engage with fraudulent practices and consider them as legitimate actions to sustain economic order rather than as immoral endeavours.

Similar to Bahre, Sitna Quiroz also shows that it is not only the neoliberal policies that cause fraud. Instead, it happens within contexts of social dynamics informed by various social norms. Quiroz looks at the intersection of religious discourses, local understandings of wealth, and neoliberal policies as enablers of money scams in the Republic of Benin. Fraud is thus legitimized through the local ideas of social orders. Quiroz's point aptly shows that economic morality may be used to regulate the individual's relationships primarily with the community, not necessarily with the state, thus informal activities need to be understood from the local perspective.

Offering a slightly reversed view on neoliberal order and its persistence in the face of changing so-

ciopolitical and legal norms is compellingly illustrated in Matias Dewey's contribution. He shows how a growing number of sweatshops in Argentina has been a result of the state's de facto legitimisation of illegal practices. The state's double response to entrepreneurial attempts of individualism, a legal and the shadow one, has brought about ambiguity, which has promoted reproduction of the state power and capitalism in parallel to the new legal order.

Similar to Dewey, Nicolette Makovsky's chapter also looks at the process of legitimisation of fraudulent practices by authorities, in her case, by administrators of the Czech-Polish public-private partnership networks that act as an implementation agency of programs under the European Union's Cohesion Policy. Makovsky shows how the administrators make use of 'partnerships' and 'sustainability' narratives to legitimise their own often ambiguous choices. Going beyond the 'bad apples' idea, Makovsky demystifies neoliberalism as consisting of actions that various actors choose to engage with, legitimising them through narratives of moral accountability and opposition to the corrupt other.

In a very interesting take on fraudulent values from a quantitative perspective, Christopher S. Swader attempts to determine if capitalists are more likely to justify fraud than others. Testing the attitudes towards fraud of people from various political-economical environments against their class position and materialist values, he concludes that it is the individual profit motive that seems to play the main role in determining whether the individual commits to fraud or not. Thus, this contribution adds to a common thread throughout many of the volume's chapters – the neoliberal policies as such do not cause fraudulent behaviour, but they do create a moral environment for fraud to be justified. Revisiting the main arguments of all chapters, editors conclude the volume by stressing the notion that fraud is socially constituted and can be seen as an outcome of mainstream political, social, economic, and cultural structures, relations, and processes.

There are many merits to the volume. It begins a serious discussion on fraud as a structural feature of neoliberalism that should be looked at as such, not as a case of a rare bad apple. It also does an excellent job of looking at case studies from both the Global South and the Global North, defying the development-bias to fraud. Another success of the volume is that the chapters are diverse enough to speak not only of powerful elites, but also of 'common people' acting in compliance with neoliberal claims and practicing neoliberal moralities. Throughout the book, the active role of the state as a collaborator is also well demonstrated.

Finally, the volume does an excellent job in stressing that fraud is not always antisocial and might contribute to productive processes in society. While the editors see it as positively contributing to the reproduction of capitalist social order through producing winners and losers, as in Dewey's chapter, several chapters of the volume call for re-thinking fraud in local terms.

What makes the chapters at times difficult to read is that most of the authors seem to share the view that the moralities are ordered, and the neoliberal one is less moral than other unnamed ones. The editors of the volume clearly oppose neoliberal standpoints and reforms, sometimes taking the harm they create as beyond the need of deeper investigation. The concept of multiple moralities thus seems blurred and applied very differently across the chapters of the volume.

Along the same lines, the book shows well how neoliberalism enables and even normalises fraud, but it also seems to treat fraud as something that is specifically characteristic to and caused by neoliberal developments. Perhaps a more comparative perspective would have been useful for a diversity of viewpoints.

A few shortcomings and unpolished thoughts aside, the volume is an important contribution to scholarship on moral economy, as it provides an understanding of morality as embedded in, not separated and removed from, neoliberalism and describes the process of neoliberal moral restructuring. As such, the book can serve as an excellent aid for those willing to understand and engage in a deeper thinking and critique of neoliberal policies, as well as those looking for arguments against the mainstream notion of economic development.

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